

Message Text

CONFIDENTIAL

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ACTION ARA-10

INFO OCT-01 ISO-00 USIE-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

NSCE-00 INRE-00 TRSE-00 OMB-01 AID-05 EB-07 AGR-05

SIL-01 LAB-04 STR-01 CIEP-01 FRB-03 SSO-00 /077 W

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FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC IMMEDIATE 9396

INFO COMMERCE WASHDC

JUSTICE WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 PORT AU PRINCE 0551

E.O. 11652: GDS

TAGS: PGOV, HA

SUBJECT: HAITIAN SECRETARY OF COMMERCE AND INDUSTRY FIRED IN
STAMP SCANDAL

1. SUMMARY: SERGE FOURCAND, HAITI'S ARTICULATE, INTELLIGENT, YET DISCONCERTINGLY DEVOUS SECRETARY OF COMMERCE AND INDUSTRY, HAS BEEN ABRUPTLY DISMISSED FROM OFFICE IN A POSTAGE-STAMP SCANDAL AND, TOGETHER WITH SOME 14 OTHERS, FACES CRIMINAL CHARGES. THE BIZARRE EMBEZZLEMENT INVOLVED A COUNTERFEIT ISSUE OF OFFICIAL LE MONITEUR PROVIDING FALSE AUTHORIZATION FOR THE STAMP ISSUANCE TO AN AMERICAN FIRM AND THE FORGERY OF UNDERSECRETARY OF COMMERCE BAYARD'S SIGNATURE. FOURCAND'S SUCCESSOR, FRANCOIS MURAT, IS A FORMER DEPUTY DIRECTOR GENERAL OF THE NATIONAL BANK AND HAS A REPUTATION FOR HONESTY AND DISCIPLINE. PRESIDENT DUVALIER ACCEPTED THE CABINET'S MASS RESIGNATION MARCH 8 BUT REAPPOINTED ALL MINISTERS TO THEIR OLD JOBS WITH THE SOLE EXCEPTION OF FOURCAND. WHETHER FOURCAND IS GUILTY AS IMPLIED OR WHETHER HIS ENEMIES HAVE EXPLOITED THE SCANDAL TO RID THEMSELVES OF A POWERFUL RIVAL REMAINS TO BE SEEN. END SUMMARY.

2. THE DECISION TO DROP FOURCAND CAPPED A WEEK OF INTENSIVE
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INVESTIGATION OF HIS DEPARTMENT LED BY JUSTICE SECRETARY JEANTY AND

ORDERED BY PRESIDENT DUVALIER UPON LEARNING OF A MILLION DOLLAR SCANDAL INVOLVING COMMEMORATIVE POSTAGE STAMPS. FOURCAND, HIS FATHER, POSSIBLY OTHER MEMBERS OF HIS FAMILY, AND OTHERS TOTALING 14-15 PERSONS IN ALL ARE BELIEVED TO BE UNDER ARREST. THE FACTS, AS BEST WE CAN DETERMINE, ARE AS FOLLOWS.

3. PERSONS UNKNOWN, APPARENTLY AT COMMERCE & INDUSTRY, MADE A DEAL WITH THE J&H STOLOW INC., A STAMP COMPANY AT 915 BROADWAY, NEW YORK CITY, TO PRINT AND MARKET AT LEAST 2 COMMEMORATIVE SERIES OF HAITIAN STAMPS, THE FIRST OF AUDUBON BIRD PAINTINGS, THE SECOND OF AUDUBON HIMSELF. THE FIRST SERIES WENT ON SALE JAN. 28, 1975, AND THE SECOND WAS SCHEDULED TO GO ON SALE APRIL 1, 1975. THE STOLOW CO. AGREED TO THE OFFER BASED ON 2 KEY INVALID DOCUMENTS: A COUNTERFEIT COPY OF THE OFFICIAL MONITEUR NO. 8 FOR 1974, WHICH SHOWED THE TEST OF A FABRICATED PRESIDENTIAL DECREE AUTHORIZING THE STAMP SALE, AND A LETTER TO THE COMPANY BEARING UNDER SECRETARY BAYARD'S FORGED SIGNATURE. ALLEGEDLY THIS ARRANGEMENT WITH THE COMPANY, ALONG WITH FALSE SUPPORTING DOCUMENTATION, CAME TO BAYARD'S ATTENTION DURING A RECENT BUSINESS TRIP HE MADE TO THE US, AND HE RUSHED STRAIGHT BACK TO PORT AU PRINCE TO REPORT HIS DISCOVERY TO THE PRESIDENT.

4. THE RANKING US CONSOFF WAS SUMMONED BY FOREIGN AFFAIRS SECRETARY BRUTUS TO HIS OFFICE SUNDAY MORNING, MARCH 9, TO ATTEST TO UNDER SECRETARY DORCELY'S SIGNATURE ON A NUMBER OF DOCUMENTS BEING SIGNED BY DORCELY AND JUSTICE SECRETARY JEANTY. AMONG THE DOCUMENTS WAS A TRUE COPY OF LE MONITEUR NO. 8 OF JAN. 28, 1974. THESE DOCUMENTS WERE BEING PREPARED FOR IMMEDIATE SUBMISSION TO THE STOLOW STAMP CO., WHICH ALLEGEDLY HAD PROMISED TO WITHDRAW THE AUDUBON BIRD STAMPS AND TO CANCEL THE SCHEDULED SALE OF THE NEXT STAMP SERIES IF THE GOH COULD PROVE THAT THE STAMP SALE AGREEMENT RESULTED FROM FRAUD. OTHERS PRESENT WERE PROTOCOL OFFICIAL YVES MASSILLON, AND JUDICIAL AFFAIRS DIRECTOR JEAN-MARIE CHANOINE.

5. BRUTUS WAS DEEPLY OFFENDED THAT HAITIAN GOVERNMENT OFFICIALS SHOULD HAVE FORGED THE SACROSANCT LE MONITEUR. HE CLAIMED THE POTENTIAL ILLICIT PROFIT FROM THE STAMP SALE MIGHT HAVE REACHED \$23 MILLION, "ENOUGH TO PAY FOR THE ENTIRE SOUTHERN ROAD". ALTHOUGH BRUTUS DID NOT REFER TO FOURCAND BY NAME, MASSILLON REMARKED PRIVATELY THAT FOURCAND WAS UNQUESTIONABLY RESPONSIBLE. MASSILLON
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EVEN CLAIMED THAT THE GOH BRIEFLY HAD CONSIDERED LATE FRIDAY CALLING IN THE DIPLOMATIC CORPS TO EXPLAIN THE IMPENDING CABINET CHANGE, AND TO ASK THAT NO EMBASSY ACCORD FOURCAND ASYLUM SHOULD HE SEEK IT, SINCE NO POLITICAL ISSUES WERE INVOLVED. ACCORDING TO MASSILLON, FOURCAND HAS DENIED ANY INVOLVEMENT, CLAIMING THAT POST OFFICE ADMINISTRATOR GENERAL MARC FRANCOIS, A SUBORDINATE, WAS PROBABLY THE GUILTY PARTY. HOWEVER, BRUTUS TOLD THE AMBASSADOR MARCH 10 THAT THE FOURCAND FAMILY HAD A REPUTATION FOR CORRUPTION,

WITH THE OLDER FOURCAND OFTEN TAKING HIGH FEES TO SETTLE PROBLEMS
IN THE SON'S DOMAIN.

6. AN OFFICIAL OF LUC DESIR'S SECRET SERVICE AT THE PALACE CLAIMED
MARCH 10 THAT FOURCAND, HIS FATHER, NOE FOURCAND, AND OTHER MEMBERS
OF HIS FAMILY, AND SEVERAL OTHER NON-RELATIVES, POSSIBLY 14-15
PERSONS IN TOTAL, WERE BEING DETAINED. HE PLACED THE VALUE OF THE
COMMEMORATIVE STAMPS AT ABOUT \$1.5 MILLION. HE CLAIMED THAT
FOURCAND HAD BEEN UNDER SUSPICION SINCE LATE 1973, WHEN COMPLAINTS
LED TO THE CANCELLING OF A ONE GOURDE (20 CENTS) TAX FOURCAND HAD
IMPOSED ILLEGALLY ON BUSINESS PACKAGES MAILED IN HAITI.
PRESIDENT DUVALIER QUESTIONED FOURCAND CLOSELY BUT EVIDENTLY
DECIDED THE OFFENSE DID NOT WARRANT DISMISSAL (THE PRESIDENT IS
KNOWN TO BE PERSONALLY FOND OF FOURCAND, IN CONTRAST TO OTHER
MEMBERS OF THE DUVALIER FAMILY). THE OFFICIAL SAID HE UNDERSTOOD
THAT FOURCAND WOULD BE TRIED PUBLICLY IN A REGULAR CRIMINAL COURT,
RATHER THAN BY MILITARY TRIBUNAL, AND THIS FORECAST IS BORNE OUT
BY JUSTICE MINISTER JEANTY'S MARCH 8 STATEMENT (SEPTTEL).

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ACTION ARA-10

INFO OCT-01 ISO-00 USIE-00 CIAE-00 DODE-00 PM-03 H-02

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FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC IMMEDIATE 0000

INFO COMMERCE WASHDC

JUSTICE WASHDC

C O N F I D E N T I A L SECTION 2 OF 2 PORT AU PRINCE 0551/2

7. COMMENT: WHETHER THE EVIDENCE AGAINST FOURCAND IS IRON CLAD,
OR WHETHER HIS ENEMIES SUCCEEDED IN FRAMING HIM, REMAINS A MYSTERY.
FOURCAND'S ASCENDANCY IN THE CABINET, CULMINATING IN HIS VIRTUOSO

PERFORMANCE IN THE REYNOLDS BAUXITE NEGOTIATIONS, HAS MADE HIM
A NATURAL TARGET, AND MANY INDUSTRIALISTS HAD LOST ALL CONFIDENCE
IN HIS WORD. MOREOVER, ACCORDING TO BRUTUS, HE PLAYED A SLY ANTI-
AMERICAN GAME, URGING THE PRESIDENT TO VOTE FOR CUBAN ADMISSION AT
THE QUITO MFM AFTER THE DECISION TO ABSTAIN HAD ALREADY BEEN TAKEN
AND OTHERWISE DISPLAYING RADICAL THIRD WORLD TENDENCIES DISTURBING
TO THOSE WHO BELIEVE THE INTERESTS OF HAITI AND THE US ARE, OR
SHOULD BE, CONGRUENT. BAYARD HAS LONG HAD HIS OWN LINE TO THE
PRESIDENT AND IS REPORTED SO UPSET AT THE FORGING OF HIS NAME
THAT HE TOOK TO A HOSPITAL BED. FOURCAND'S SUCCESSOR, FRANCOIS
MURAT, WILL PROBABLY BE MORE STRAIGHTFORWARD AND LESS UNSCRUPULOUS
IN NEGOTIATIONS THAN WAS FOURCAND, E.G., TEXTILE NEGOTIATIONS,
PAN AM CONTRACT RENEWALS, AND TCA MANAGEMENT CONTRACT FOR HAITI
AIR INTER. HIS STYLE, WHILE LESS SOPHISTICATED THAN FOURCAND'S,
MAY AT LEAST HAVE THE
MERIT OF A GREATER SOBRIETY AND DEPENDABILITY,
BUT ON THIS POINT WE SHALL NEED MORE EVIDENCE.
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